

Petition Inpatient Hospice – 5
Received Regarding Proposed 2008 State Medical Facilities
Plan

Attached is the Petition from Johnston Memorial Hospital Authority.

PETITION

North Carolina State Health Coordinating Council

DFS Health Planning
RECEIVED

AUG 03 2007

Medical Facilities
Planning Section

Submitted to:

Dr. Thomas Pulliam, Chair
Long-Term and Behavioral Health Committee
c/o Floyd Cogley, Planner
Medical Facilities Planning Section
Division of Facility Services
701 Barbour Drive
Raleigh, NC 27626

Submitted by:

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Executive Summary

Johnston Memorial Hospital (JMH) is committed to serving the health care needs of the citizens of Johnston County and the surrounding region, regardless of race, ethnicity, gender, age, or ability to pay. As part of its service to the community, JMH provides a variety of high quality health-related services, including the operation of a separately licensed hospice home care agency, Johnston Memorial Home Care and Hospice. In 2006, under the 2006 *State Medical Facilities Plan*, JMH applied for, and was awarded a certificate of need to develop a 12-bed combination hospice facility with eight inpatient beds and four residential beds in Johnston County. This facility is scheduled to become operational in mid 2009. The Proposed 2008 *State Medical Facilities Plan* includes a need determination for eight additional hospice inpatient beds in Johnston County, for a total need determination of 16 hospice inpatient beds in Johnston County since 2006.

JMH believes the need for hospice inpatient beds in Johnston County is overstated in the Proposed 2008 *State Medical Facilities Plan*. To address this concern, JMH requests an adjusted hospice inpatient bed need determination in the 2008 *State Medical Facilities Plan* of four (4) rather than eight (8) hospice inpatient beds.

Requested Change

JMH requests an adjusted need determination in the 2008 *State Medical Facilities Plan* of four (4) hospice inpatient beds rather than eight (8) beds.

Reason for Request

JMH believes that the current methodology used to determine the need for additional hospice inpatient beds in the *State Medical Facilities Plan* is a sound and well-devised methodology for planning for the future hospice inpatient bed needs of the State as a whole. However, as is often the case with statewide methodologies, there are counties and providers that exist as outliers. In these counties, the standard methodology does not accurately determine need. JMH is aware of a petition filed by Southeastern Regional Medical Center to change the statewide hospice inpatient bed need methodology in the 2008 *State Medical Facilities Plan*. That petition specifically addressed counties with substantially higher than average hospice use rates (total hospice days of care per 1,000 population). While the Long-Term and Behavioral Health Committee did not recommend approval of the petition as filed, it did recognize the validity of the health planning concerns raised in the Southeastern petition and as such, recommended that the hospice inpatient bed need determination be adjusted to zero in Robeson County as well as two other counties, each with extremely high hospice use rates and previously approved hospice inpatient beds pending development. The Committee also recommended the assembly of a task force to be comprised of The Carolinas Center for Hospice and End of Life Care, The Association for Home and Hospice Care of North Carolina, and various hospice providers in the State, to determine flaws in the current methodology and recommend appropriate changes to the methodology to be included in the 2009 *State Medical Facilities Plan*. The State Health Coordinating Council subsequently accepted the Committee's recommendations. While the situation in Johnston County is not as extreme as that in Robeson County, JMH does believe that certain hospice utilization statistics in Johnston County contribute to a somewhat overstated need in the 2008 *State Medical Facilities Plan* methodology. JMH believes that a need for additional hospice inpatient beds does in fact exist in Johnston County; however, JMH believes that the actual need is for four (4) additional inpatient beds as opposed to the eight (8) that result from the standard methodology in the 2008 *State Medical Facilities Plan*.

Johnston County Hospice Utilization Statistics

Relevant hospice statistics that JMH believes contribute to the overstated need in the *State Medical Facilities Plan* include the following:

1. The Johnston County hospice use rate (total hospice days of care per 1,000 population) is 24 percent higher than the North Carolina average based on 2006 hospice utilization data reported in the Proposed 2008 *State Medical Facilities Plan*.

<i>Area</i>	<i>2006 Hospice Days of Care</i>	<i>2006 Population</i>	<i>2006 Days of Care per 1,000 Population</i>
Johnston County	52,861	151,589	350.25
North Carolina	2,462,776	8,774,984	281.70
Johnston County Difference from North Carolina	--	--	24.3%

Source: Proposed 2008 State Medical Facilities Plan

The number of hospice patient days is somewhat suspect given the number of hospice deaths in Johnston County. In contrast to the statistics presented above, the number of hospice deaths per 1,000 population in Johnston County is even less than the North Carolina average as shown below.

<i>Area</i>	<i>2006 Hospice Deaths</i>	<i>2006 Population</i>	<i>2006 Hospice Deaths per 1,000 Population</i>
Johnston County	285	151,589	1.9
North Carolina	22,653	8,774,984	2.6
Johnston County Difference from North Carolina	--	--	-27.2%

- As a result of the high number of hospice patient days, **total hospice days of care per death in Johnston County are 71 percent higher than the North Carolina average** based on 2006 hospice utilization data reported in the Proposed 2008 State Medical Facilities Plan.

<i>Area</i>	<i>2006 Hospice Days of Care</i>	<i>2006 Hospice Deaths</i>	<i>2006 Days of Care per Hospice Death</i>
Johnston County	52,861	285	185.5
North Carolina	2,462,776	22,653	108.7
Johnston County Difference from North Carolina	--	--	70.6%

Source: Proposed 2008 State Medical Facilities Plan

- JMH believes that one primary source of the disproportionately high number of hospice patient days as compared with the number of hospice deaths reported in Johnston County is likely related to the higher than average number of non-death hospice patient discharges. On average in North Carolina, approximately 19 percent of hospice patients were discharged from hospice care in 2006; the remaining 81 percent died while under hospice care. Under typical circumstances, hospice discharges rarely occur because of the nature of the service; patients are occasionally discharged because their physician believes they no longer meet the certification requirements of a limited life expectancy. **Non-death discharges as a percentage of**

total hospice admissions in Johnston County are 83 percent higher than the North Carolina average per 2006 hospice utilization data reported on 2007 Data Supplements to the Hospice License Renewal Application.

<i>Area</i>	<i>2006 Non-Death Discharges</i>	<i>2006 Hospice Admissions</i>	<i>2006 Days Non-Death Discharges per Hospice Admission</i>
Johnston County	139	404	34.4%
North Carolina	5,340	28,383	18.8%
Johnston County Difference from North Carolina	--	--	83.0%

Source: Data Supplements to 2007 Hospice License Renewal Application

The days of care associated with discharged patients are counted in the total hospice days of care and thus included in the need methodology for hospice inpatient beds. However, as these patients do not remain under hospice care, these patients are not included in hospice deaths and it is highly unlikely that they would require hospice inpatient care. Patients who are discharged from hospice are likely appropriate for death in the home rather than an inpatient setting. Therefore, the need methodology for hospice inpatient beds in the *State Medical Facilities Plan* is overstated by the inclusion of patient days associated with these discharged patients.

In counties where the rates of hospice discharge are more in line with the State average and hospice patients are discharged infrequently, the impact of these patient days in the methodology is minimal. However, in Johnston County, the impact of these patient days may result in an overstated need being generated for inpatient hospice beds that the discharged hospice patients will not utilize.

4. JMH believes that another primary source of the disproportionately high number of patient days is related to the higher than average number of nursing home days as a percentage of total hospice days of care in Johnston County. Specifically, **nursing home days as a percentage of total hospice days of care were 38 percent higher than the North Carolina average in 2005** per The Carolinas Center for Hospice and End of Life Care's most recent compiled data available. According to the same data, **Johnston County ranks 12th among all North Carolina counties with regard to nursing home days as a percentage of total hospice days of care.**

<i>Area</i>	<i>2005 Nursing Facility Days of Care</i>	<i>2005 Total Hospice Days of Care</i>	<i>2005 Nursing Facility Days % of Total Days of Care</i>
Johnston County	12,687	40,558	31.3%
North Carolina	456,828	2,007,422	22.7%
Johnston County Difference from North Carolina	--	--	37.9%

Source: The Carolinas Center for Hospice and End of Life Care

Similar to non-death discharges, the days of care associated with nursing facility patients are counted in the total hospice days of care and thus included in the need methodology for hospice inpatient beds. However, only patients already under the hospice plan of care who are admitted to a nursing facility for inpatient care in the absence of a dedicated hospice facility would be appropriate for admission to a hospice facility if one existed. On the contrary, patients who are already residents of nursing facilities and subsequently seek hospice services prior to death, would be unlikely to move their residence from the nursing facility to a hospice facility even if one existed. Such patients would more likely continue to receive hospice services in the nursing facility setting to the point of death. Therefore, such patients would not be appropriate for admission to a hospice facility, and as a result, the need methodology for hospice inpatient beds in the *State Medical Facilities Plan* is overstated by the inclusion of patient days associated with these patients.

In counties where the rates of nursing facility utilization are more in line with the State average, the impact of these patient days in the methodology is minimal. However, in Johnston County, the impact of these patient days may result in an overstated need being generated for inpatient hospice beds that the nursing facility patients will not utilize.

Requested Change

JMH believes that a need for additional hospice inpatient beds does exist in Johnston County; however, JMH believes that the actual need is for four (4) additional inpatient beds rather than eight (8). Therefore, JMH requests an adjusted need determination for four (4) hospice inpatient beds for Johnston County in the 2008 *State Medical Facilities Plan*. The following analyses support the reasonableness of this requested change.

If the Johnston County hospice use rate (350.25 days of care per 1,000 population) were lowered to the North Carolina average use rate (281.70 days of care per 1,000 population) and the standard *State Medical Facilities Plan* methodology applied, the following need for hospice inpatient beds in Johnston County would result.

<i>County</i>	<i>2006 Hospice Days of Care per 1,000 Population</i>	<i>2011 Projected Population*</i>	<i>2011 Estimated Days of Care^</i>	<i>Estimated Inpatient Days#</i>	<i>Projected Total Beds Required**</i>
Johnston	281.70	174,692	49,211	3,937	13

*Per the Proposed 2008 *State Medical Facilities Plan*

^2006 Hospice Days of Care per 1,000 Population x (Projected Population/1,000)

#Estimated Days of Care x 8%

**Estimated Inpatient Days / 365 days / 85% occupancy

Based on the above adjustment and accounting for the eight (8) hospice inpatient beds that JMH has been previously approved to develop, Johnston County would show a deficit five (5) hospice inpatient beds as opposed to eight (8).

An alternative analysis involves adjusting Johnston County's 2006 hospice days of care to exclude a portion of the county's 2006 nursing facility days. To account for the fact that some nursing facility days of care are likely provided to existing hospice patients who are admitted to a nursing facility for inpatient care in the absence of a dedicated hospice facility (and who, therefore, would be appropriate for admission to a hospice facility), JMH has adjusted 2006 Johnston County hospice days of care to exclude 75 percent of the days of care provided in nursing facilities. Applying the standard hospice inpatient bed need methodology to this adjusted number of 2006 hospice days of care results in the following number of hospice inpatient beds needed in Johnston County.

<i>County</i>	<i>2006 Adjusted Hospice Days of Care*</i>	<i>2006 Population</i>	<i>2006 Hospice Days of Care per 1,000 Population</i>	<i>2011 Projected Population</i>	<i>2011 Estimated Days of Care</i>	<i>Estimated Inpatient Days</i>	<i>Projected Total Beds Required</i>
Johnston	40,159	151,031	265.9	174,692	46,450	3,716	12

*52,898 total days of care - (16,986 x 75% = 12,739 nursing facility days) = 40,159 days of care

This analysis results in an even more conservative estimate of the number of hospice inpatient beds needed in Johnston County. Specifically, this analysis results in a total bed need of 12, which equates to a need for four (4) additional beds after accounting for the eight (8) that JMH currently has under development. Note that this adjustment to hospice days of care results in a 2006 hospice use rate in Johnston County of 265.9 days of care per 1,000 population, which is within 5 percent of the North Carolina average, further supporting the reasonableness of this analysis.

Summary and Implications if the Petition is Not Approved

A need for additional hospice inpatient beds clearly exists in Johnston County. However, JMH believes that the need identified in the 2008 *State Medical Facilities Plan* is overstated for the reasons presented in this petition. A need determination for hospice inpatient beds that is overstated and statistically unsupported ultimately will result in duplication of services as well as the development of hospice inpatient beds that may not be financially feasible due to an inflated indication of demand. Given the lack of historical hospice facility utilization until JMH's previously approved inpatient beds become operational, and given the commitment of the State Health Coordinating Council to assemble a task force to determine the flaws in the current hospice inpatient bed need methodology for recommended changes to take effect in the 2009 *State Medical Facilities Plan*, JMH believes the most prudent course of action at this time is to adjust the need determination for hospice inpatient beds in Johnston County to four (4) beds based on the more conservative of the two analyses presented above.

JMH appreciates your careful consideration of this petition. Please let us know if we can assist the Council, its committees, and the staff during the process.

Thank you very much.